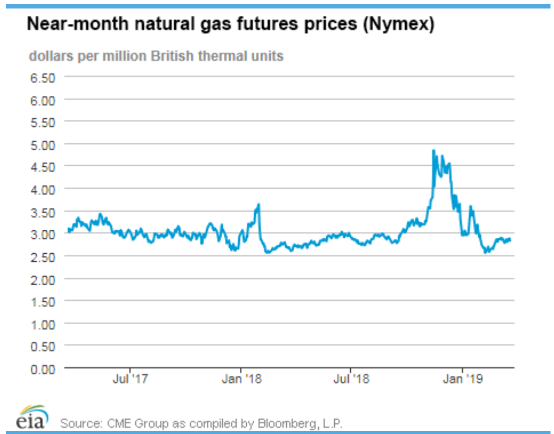
BROKER ONLINE EXCHANGE

Tuesday, March 26, 2019

GENERAL UPDATE



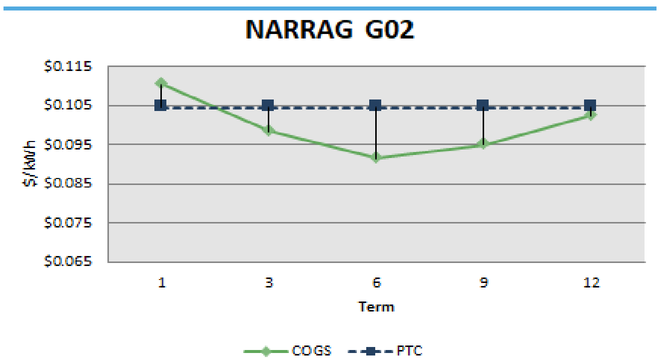
- The April 2019 NYMEX contract was unchanged at $2.82/MMBtu last Tuesday. The 12-month strip price averaging April 2019 through March 2020 futures contracts also remained unchanged at $2.970/MMBtu.
- Northeast prices experienced increases. Boston's Algonquin Citygate prices rose $0.13 (4.6%) from $2.83/MMBtu the previous Wednesday to $2.96/MMBtu last Tuesday. Transco Zone 6 NYC prices also increased $0.13 (5%) from $2.62/MMBtu to $2.75/MMBtu.
- Pennsylvania's Dominion South increased $0.12 (4.8%) to a weekly high of $2.60/ MMBtu. Tennessee Zone 4 Marcellus spot prices rose $0.20 (8.3%) to $2.60/ MMBtu.
- SoCal Citygate prices increased just $0.01 (<0.5%) to $4.20/MMBtu. Prices at Northern California PG&E Citygate increased $0.08 (2.2%) from $3.69/MMBtu to $3.77/MMBtu.

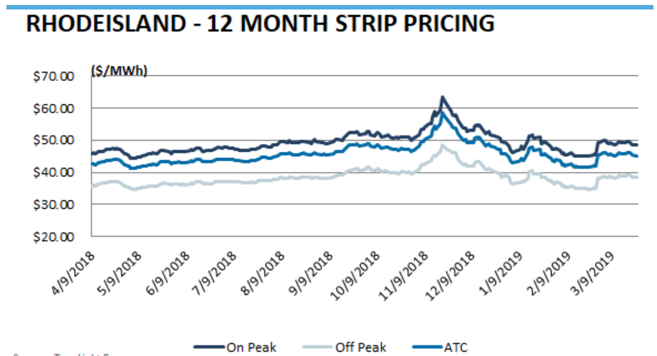
POWER

- For the NEMASSBOST zone in ISONE, the 12 Month ATC strip decreased $0.44 (-1.0%) to $45.67. The 24 Month ATC strip dropped $0.16 (-0.4%) to $45.44, and the Cal 2020 ATC strip decreased $0.26 (-0.6%) to $45.34/MWh yesterday.
- For the NYC zone in NYISO, the 12 Month ATC strip increased $0.15 (0.4%) to $42.29. The 24 Month ATC strip increased $0.32 (0.8%) to $42.74 and the Cal 2020 ATC strip increased $0.29 (0.7%) to $42.11/MWh yesterday.
- For the PEPCO zone in PJM, the 12 Month ATC strip increased $0.12 (0.3%) to $38.48. The 24 Month ATC strip increased $0.04 (0.01%) to $37.97 and the Cal 2020 ATC strip decreased $0.01 (-0.03%) to $37.68/MWh yesterday.
- For the Houston zone in ERCOT, the 12 Month ATC strip decreased $0.45 (-1.0%) to $43.10. The 24 Month ATC strip decreased $0.20 (-0.5%) to $41.00, and the Cal 2020 ATC strip increased $0.03 (0.1%) to $39.27/MWh yesterday.

UTILITY HIGHLIGHT

ISONE › RI › NARRAG





- The current Price to Compare (PTC) for Rhode Island's Narragansett Electric Company, d/b/a National Grid, General C&I - Fixed Price Option (G02) is $0.07982/kWh for the April 1, 2019 through September 30, 2019 price period, a 33% decrease from the previous fixed price rate of $0.1188/kWh.
- Headroom is probable for the 3, 6, 9, and 12 month terms, with headroom of $0.00955/kWh likely for the 9 month term and $0.00211/kWh likely for the 12 month term.
- The RHODEISLAND ATC 12-month strip has remained relatively flat over the past week, with prices decreasing 1% to $45.19/ MWh yesterday.
- Since the beginning of the year, the ATC strip has reached a high of $47.96/MWh on January 17, 2019 and a low of $41.54/ MWh on February 19, 2019. This time last year, the strip traded at $40.75/MWh, which is 11% lower than this year.

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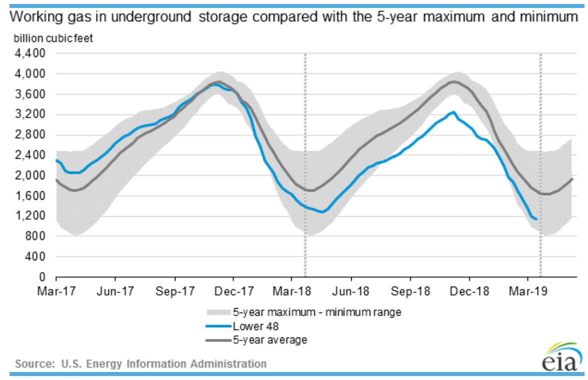
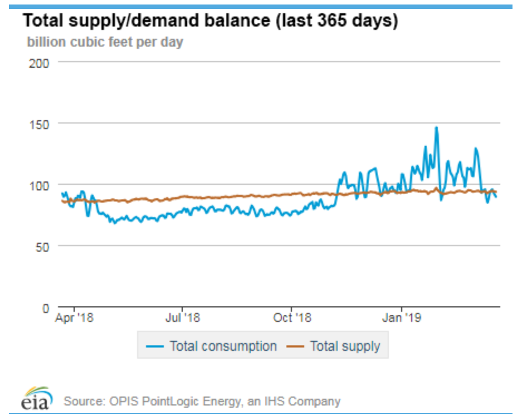
NATURAL GAS



- For the week ending March 15, the EIA reported net withdrawals from storage of 47 Bcf, which is higher than last year's net withdrawals of 87 Bcf for this week and the 5-year (2014–18) average net withdrawals of 56 Bcf.
- Working natural gas in storage totaled 1,143 Bcf, which is 315 Bcf (-22%) lower than last year's level and 556 Bcf (-33%) lower than the five-year average of 1,699 Bcf. Total working gas is within the five-year historical range.

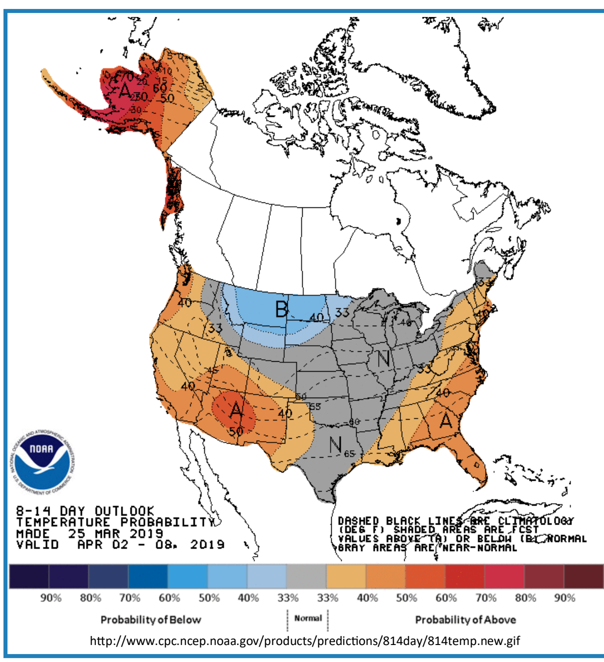
SUPPLY & DEMAND



- Average total supply of natural gas remained the same as the previous week, averaging 93.5 Bcf/day. Dry natural gas production remained constant while net imports from Canada increased by 4%.
- Total US consumption of natural gas fell by 8%. Consumption for power generation was flat, industrial sector consumption dropped by 1%, residential-commercial consumption dropped by 17%, and exports to Mexico decreased by 2%.
- US LNG exports dropped week/week, with seven vessels departing US ports for a combined 24.8 Bcf.

MARKET INTELLIGENCE

- National Grid has filed new Default Services rates for residential and commercial customers with the Massachusetts DPU. Residential and commercial rates for the upcoming May 1, 2019 to November 30, 2019 price period have been set at $0.1082/kWh for the residential (R-1, R-2, R-4, E) fixed rate, a 21% decrease from the current rate of $0.13718/kWh, and $0.09668/kWh for the commercial (G-1) fixed rate, a 26% decrease from the current rate of $0.13166/kWh. These rates are taking into account pending changes to the Basic Service Administrative Cost Adjustment Factors (BSACFs) and Smart Grid Customer Cost Adjustment Factor (SGCCFs), which are expected to take effect on May 1 as well.
- The Arizonans for Electric Choice and Competition ("AECC") Commissioners recently submitted a list of "Areas for Discussion in Retail Electric Competition Rules" to the Arizona Corporation Commission in an effort to make small steps towards electric choice. Some of these "Areas for Discussion" include: encouraging utilities and electric service providers to deploy competitive customer service models like customized pricing, environmental attributes, etc. as well as integrating statewide transmission operations, market monitoring, generation dispatch, and other system updates to optimize Arizona's system for all participants.



WEATHER

- For the next six to ten days, much of the country will see below average temperatures. An area stretching from Montana to West Virginia and as far south as parts of Louisiana will be colder than normal.
- Early this week, heavy showers will impact travel in the southeast. The downpours will give way to only isolated flooding, since much of the region has been suffering an extended period of dry conditions.
- The northeast region will start the week very cold, with temperatures falling into the teens and 20s by early Tuesday as far south as Pittsburgh and Columbus, Ohio. By the middle of the week, some warm, milder air will be creeping up the east coast, peaking with temperatures in the 70s in many areas by Friday. The weekend outlook at this point is potentially much stormier.

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